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Press Release

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**ATTORNEY GENERAL DARRELL MCGRAW SUES COUPON CONNECTION
OF AMERICA, INC., A TEXAS CORPORATION, AND ITS OWNERS,
DONALD FARMER AND JERRY RODRIQUEZ, FOR OPERATING A
PYRAMID SCHEME AND DEFRAUDING CONSUMERS**

Attorney General Darrell McGraw today filed a lawsuit in Lincoln County against Coupon Connection of America, Inc., a Houston, Texas corporation (hereafter "Coupon Connection"), and its Texas resident owners, Donald Farmer and Jerry Rodriquez. The lawsuit alleges that the company operated a pyramid scheme and bilked two West Virginia consumers out of more than \$88,000.

Although Coupon Connection advertised a "business opportunity," the "opportunity" was in reality a pyramid scheme which defrauded consumers. Coupon Connection promised to make those who followed its program rich. Coupon Connection knew, however, that no matter how hard one worked, he/she was going to lose money in its scheme.

Coupon Connection used a two-pronged approach to defraud consumers. First, it coerced program participants to pay outrageous sums (e.g. \$30,000) for direct mail solicitations. Then, Coupon Connection sent out the mail solicitations to third parties. The mail solicitations advertised "money making" kits. When third parties ordered the "money making" kits, they paid a small fee (e.g. \$15), which went to the program participants. The total of these small fees paled in comparison to the large sums paid to Coupon Connection.

Second, Coupon Connection sold program participants grocery coupon books. Coupon Connection promised its program participants they would become rich by reselling the coupon books to third parties. Coupon Connection knew that there was no demand for these grocery coupon books and they were worthless, yet they sold thousands to West Virginians. Despite following Coupon Connection's instructions conscientiously, the two consumers referenced in the lawsuit were unable to resell one of them.

When program participants were not making any money in the program, they complained to Coupon Connection. A day later, Coupon Connection would contact them with what they described as a special or unique opportunity. This opportunity was to pay \$12,900 to become a "master licensee." Coupon Connection promised its program participants that becoming a master licensee would resolve their problems by allowing them to move up the pyramid and profit from the sales of others. When the program participants resisted, Coupon Connection persisted until finally securing the payment.

Once West Virginia consumers were in the program, they were subjected to more false promises and high pressure sales tactics. Consequently, the two consumers referenced in the lawsuit paid substantial sums in a very short period of time. Coupon Connection's high pressure tactics even convinced consumers to use many different (e.g. five) credit cards to finance their purchases.

By the time consumers learned they had been victimized, they had already expended considerable amounts of money. To

complete their fraudulent scheme, Coupon Connection charged one of the consumers mentioned in the lawsuit a \$350 early termination fee, which was automatically debited from her account when she attempted to get out of the program.

"Coupon Connection of America's illegal pyramid scheme has wreaked havoc in the lives of hard working West Virginians," said Attorney General McGraw. "I want to make sure that its scheme ceases operations in West Virginia."

The company has previously been investigated by the Iowa Attorney General's Office. Iowa's Attorney General discovered that Coupon Connection of America, Inc. had falsified and exaggerated testimonials. One of the testimonial givers was the cousin of the owner, and two of the others were on the business's payroll.

The lawsuit seeks preliminary and permanent injunctive relief, investigative costs, damages, restitution for all affected consumers, and attorneys' fees.

If you have any questions about this matter or want to file a complaint against Coupon Connection of America, Inc. or Donald Farmer, please call Attorney General Darrell McGraw's Consumer Hotline at 1-800-368-8808 or 304-558-8986.

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